

Cardiovascular giants Abbott, St. Jude in \$25 bn merger

28 April 2016

Abbott Laboratories and St. Jude Medical, leading makers of heart care and coronary devices, announced a \$25 billion merger Thursday to better target the rising levels of cardiovascular disease in aging populations.

The deal, with Abbott taking control of St. Jude, will build their position in a sector of [health care](#) expected to grow strongly with the aging of populations in advanced economies.

Abbott will pay St. Jude shareholders a cash-and-stock mix that they said values St. Jude at about \$85 a share, compared to its close Wednesday of \$61.95.

The combined companies represent annual sales around the world of \$8.7 billion and will have the number one or number two positions in specific segments of the \$30 billion cardiovascular market.

The deal pulls together Abbott's market strength in devices for coronary intervention and transcatheter mitral repair, and St. Jude's specialization in heart failure devices, atrial fibrillation and cardiac rhythm management.

It keeps them focused on a growing population of people expected to need cardiovascular care: in the United States alone, they said, more than 40 percent of adults will experience [cardiovascular disease](#).

The two said the combination will give them "an industry-leading pipeline" of new products covering cardiovascular, diabetes, vision and neuromodulation.

"Bringing together these two great companies will create a premier medical device business and immediately advance Abbott's strategic and competitive position," said Abbott chairman and chief executive Miles White.

"The combined business will have a powerful pipeline ready to deliver next-generation medical technologies and offer improved efficiencies for health care systems around the world."

St. Jude shares surged 27.4 percent to \$78.95 in early trade, while Abbott fell 6.5 percent to \$40.98.

© 2016 AFP

APA citation: Cardiovascular giants Abbott, St. Jude in \$25 bn merger (2016, April 28) retrieved 8 December 2021 from <https://medicalxpress.com/news/2016-04-cardiovascular-giants-abbott-st-jude.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.